

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
CORPUS CHRISTI DIVISION

|                                       |   |                       |
|---------------------------------------|---|-----------------------|
| IN RE:                                | § |                       |
| LAC D'AMIANTE DU QUEBEC LTEE; fka     | § | CASE NO: 05-20521     |
| LAKE ASBESTOS OF QUEBEC, LTD.         | § |                       |
| Debtor(s)                             | § |                       |
|                                       | § | CHAPTER 11            |
|                                       | § |                       |
| ASARCO INCORPORATED, <i>et al</i>     | § |                       |
| Plaintiff(s)                          | § |                       |
|                                       | § |                       |
| VS.                                   | § | ADVERSARY NO. 05-2053 |
|                                       | § |                       |
| ALLIANZ INTERNATIONAL                 | § |                       |
| INSURANCE COMPANY, LTD., <i>et al</i> | § |                       |
| Defendant(s)                          | § |                       |

**INTERIM REPORT AND RECOMMENDATION ON**  
**MOTION TO WITHDRAW THE REFERENCE**

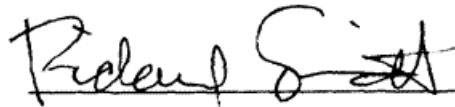
On this day came on for consideration the Motion to Withdraw the Reference filed by Fireman's Fund Insurance Company ("Fireman's"). The Court, having heard the evidence and arguments of counsel, finds as follows.

This lawsuit was originally filed in the 105th District Court of Nueces County, Texas (the "State Court") on May 21, 2002, by Asarco Incorporated ("Asarco"). After Asarco filed its bankruptcy petition, Fireman's removed the case to the Federal District Court for the Southern District of Texas, despite the General Order of Reference in the Southern District of Texas which automatically referred the case to this bankruptcy court. Plaintiffs filed their Motion for Order Implementing General Order of Reference to the Bankruptcy Court, to which Fireman's objected. The United States District Court, Hon. Hayden W. Head, Chief Judge, entered an order specifically referring the case to the bankruptcy court on July 29, 2005. Thereafter, Asarco filed

its Motion to Remand requesting that the case be remanded to State Court. Fireman's filed a Motion to Withdraw the Reference and this court heard both motions on September 13, 2005.

By separate order entered herewith, this court remanded the case to State Court on equitable remand grounds pursuant to 28 U.S.C. §1452(b). Unless the Order of Remand is appealed and reversed, this court respectfully suggests that the Motion to Withdraw the Reference is moot. The bankruptcy court therefore makes this Interim Report and Recommendation subject to the necessity for further report and recommendation if the Order of Remand is reversed.

SIGNED 01/25/2006.

A handwritten signature in black ink, appearing to read "Richard S. Schmidt", written over a horizontal line.

RICHARD S SCHMIDT  
United States Bankruptcy Judge